Wellness checks aren’t just for physical health. They’re for fiscal health as well.

SVS members might want to do such an assessment of their disability insurance coverage: Are plans paid for with pre-tax or after-tax dollars? Is the rate locked in? Members just might be significantly under-insured.

SVS offers individual disability plans with three companies – Principal Life Insurance Company, Standard Life and Lloyd’s – through its Affinity Program of expanded benefits.

Important considerations include taxes, annual premium rate increases, guaranteed renewability and, significantly, whether the plan recognizes and covers the subspecialty of vascular surgery.

Group plans are taxable when the employer or group pays the premiums. In contrast, SVS plans are paid with after-tax dollars. “You may need 100 percent of the pretax benefit to live on,” explained Mark Blocker, of the SVS Affinity Program. “This is the biggest issue members face, in deciding on a disability insurance plan.”

The impact can be substantial: A $300,000 annual benefit through a group or employer-paid plan will provide taxable benefits. At a 40 percent rate, the annual benefit becomes $180,000. “If the state income tax is 8 percent, or $24,000, that $300,000 benefit under a group plan reduces the benefit to just $156,000, or $13,050 a month,” Blocker said.

In contrast, the SVS plan with premiums paid after taxes provides a $300,000 annual tax-free benefit.

Subspecialty recognition is also important. “It’s vital to make sure that your policy clearly defines and covers you as a vascular surgeon. No surgeon I know wants to be forced into a career as a GP,” Blocker said.

SVS plans also:

• Are portable so a move to another practice doesn’t affect coverage.

• Are guaranteed renewable, while group plans can be canceled by the insurer.

• Have rates locked at enrollment. Group plans can raise rates annually.

• Are discounted 10 percent for SVS members with a possible additional 10 percent discount.
• Contact Blocker at mark@nationalaffinity.net or 312-291-4472

(Purchasing a product through the expanded SVS affinity program benefits not only you and your practice, but also SVS itself.)

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